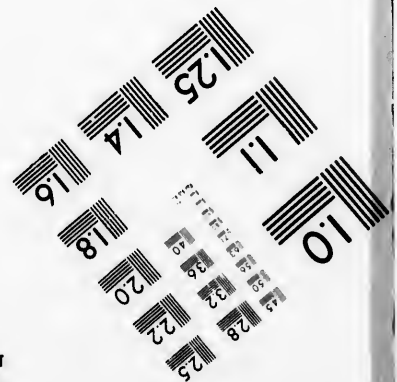
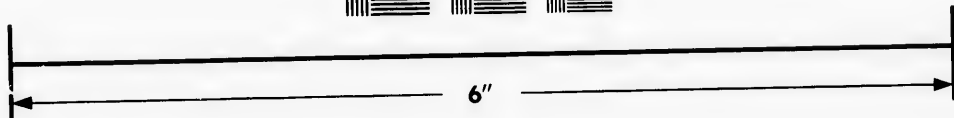
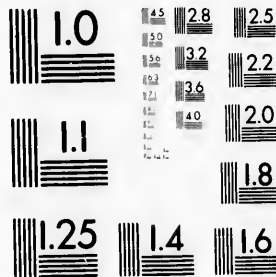


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1981

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion
along interior margin/
La reliure serrée peut causer de l'ombre ou de la
distortion le long de la marge intérieure
- Blank leaves added during restoration may
appear within the text. Whenever possible, these
have been omitted from filming/
Il se peut que certaines pages blanches ajoutées
lors d'une restauration apparaissent dans le texte,
mais, lorsque cela était possible, ces pages n'ont
pas été filmées.
- Additional comments:/
Commentaires supplémentaires:

- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Includes supplementary material/
Comprend du matériel supplémentaire
- Only edition available/
Seule édition disponible
- Pages wholly or partially obscured by errata
slips, tissues, etc., have been refilmed to
ensure the best possible image/
Les pages totalement ou partiellement
obscurcies par un feuillet d'errata, une pelure,
etc., ont été filmées à nouveau de façon à
obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	12X	14X	16X	18X	20X	22X	24X	26X	28X	30X	32X
				✓							

The copy filmed here has been reproduced thanks to the generosity of:

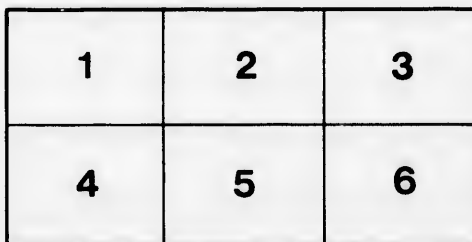
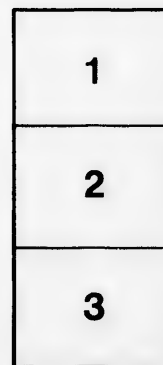
Thomas Fisher Rare Book Library,
University of Toronto Library

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Thomas Fisher Rare Book Library,
University of Toronto Library

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

ails
du
odifier
une
image

s

errata
to

pelure,
on à



32X

MONEY

AND THE

Money Question in Canada

AND

SOME CONSIDERATIONS ARISING THEREFROM.

BY

A HUSBANDMAN.

PRICE, 25 CENTS.

CAN BE HAD OF ALL BOOKSELLERS.

Toronto:

THE HUNTER, ROSE CO., LTD.

1897.



3⁵⁰

MONEY

AND

THE MONEY QUESTION IN CANADA

AND

SOME CONSIDERATIONS ARISING THEREFROM.

BY

A HUSBANDMAN.

PRICE, 25 CENTS.

CAN BE HAD OF ALL BOOKSELLERS.

Toronto:

THE HUNTER, ROSE CO., LTD.

1897.

Entered according to Act of the Parliament of Canada, in the year one thousand eight hundred and ninety-seven, by ROBERT DOUGLAS, at the Department of Agriculture.

PREFATORY REMARKS.

This pamphlet is dedicated by the author to his fellow-Canadians everywhere as a New Year greeting, with the expectation that it may assist at least some who hitherto may have given little serious consideration and have not very clear views of the Money Question, and induce others who may have given much thought to it, but who still, through old associations, cling to gold as the best or proper standard of money, to consider the whole question in all its phases, free and unbiassed as far as possible by other men's opinions, or predilections, and so arrive at conclusions and convictions clear and satisfactory to themselves, as the result of their own enquiry. After, and as a result of, such consideration and enquiry, the author is convinced beyond a peradventure that the Money Question is the most important, easily put right, and urgent for immediate solution at this time on this continent, and that by a proper standard of money, a sound money system, and sound principles of lending and borrowing upon real estate, that Canada, by wise and prudent legislation, can be delivered from her crushing load of national and individual mortgages in a marvelously short time and the debts incidentally be turned into a good bond to bind us Canadians together.

There is no manner of doubt but that a perfectly safe national money system can be framed and worked with-

out gold having anything to do with it, and as little doubt that North America is on the eve of some radical change in the manner of doing things. If a bold forward step is not taken on the right lines the drift will still be downwards on the wrong ones. The United States and Canada have been in many respects like two railway trains on a down grade for thirty years back or more. Both countries must lay in a new leaf and reverse the grade by, first of all, acknowledging God more than they have done in their legislation. They must cast off the moral turpitude hanging like an incubus, which has been engendered by disobeying Divine commands about a Sabbath day's rest from toil, unjust tariff abominations, drawing national revenue from blood-money through licenses of deleterious and intoxicating drinks, and the gold incubus in our money system. The first three are inexcusable, the latter least creditable to our intelligence.

The author has (and who has not?) been grieved these many years back at the time worse than wasted by partyism and tariff discussion abominations, keeping back from consideration many most important matters still to be righted, such as a higher standard of teachers to man the Public Schools of the various provinces, cutting down our government machinery, prohibition in some good shape, government management of railways, bankruptcy and sanitary regulations, municipal management of city franchises, whereby the load of municipal taxation could be almost annihilated, as is done in Glasgow.

I appeal with much confidence to my fellow-Canadians, and especially to "the powers that be" and the press, to consider this Money Question carefully and courage-

ously, so that Canada may no longer be cursed by dear and scarce money. There is neither dearness nor scarcity, but fulness, even to overflowing, of the good things of this life. Why, oh why, should there be a famine of a mere medium to purchase the good things?

1st January, 1897.



MONEY AND THE MONEY QUESTION

IN CANADA.

To those who have not clear views on the Money Question, the many divergent views, opinions, and speculative theories about sound money, debased currency, appreciation and depreciation of gold, silver, wheat, and other things must be perplexing indeed. Why cannot solid ground and the truth be found and the facts ascertained to a demonstration as well as about other everyday matters?

It is not creditable to our intelligence that there should be so much doubt and perplexity as evidently prevail. There cannot be a doubt but the darkness that pervades the minds of so many intelligent and wise men arises from the almost universal belief in a fallacy—viz., that gold is the best or right standard of money. If men believe and build upon a fallacy, the structure will be faulty; the more and longer discussed, the greater the perplexity and the longer in coming to the truth, the only solid ground. Build well upon a true foundation, and the structure will be good, beautiful and excellent in every way.

Is it not as clear as noonday that gold and silver metals, as well as other things, even money itself, are alike

subject to the law of supply and demand, or demand and supply, for in some circumstances the one precedes the other, which regulates the market value? Is not the market value just the intrinsic value? Each metal or material has its own intrinsic value, caused by the adaptation to man's needs. Why, then, all this ado about appreciation and depreciation? Gold and silver metals are more adapted for ornamental, fine, delicate work because of their qualities—viz., cleanness, beauty, ductility, etc.; iron, in its various conditions, and other unclean metals are more adapted for useful, strong work. Paper is more adapted for money purposes than metals because of its qualities of being convenient, cheap, and abundant availability of supply. These are all essential. It is more adaptable to all our needs for money purposes, so much so that even with our foolish metal standard it is of necessity used in its various forms for the great bulk of commerce. Metal money is most convenient for fractions only, and even then often not so convenient as 25 and 50 cent bills. These being settled facts are suggestive of many questions such as the following:

1st. Is it not so that what we call money, in whatever form, is simply a medium and nothing more for exchanging goods and products of all kinds in a permanent form that will buy and sell itself, it being all things in one?

2nd. Is it not so that the cheaper and more convenient the better?

3rd. Is it not so that the dearer and more inconvenient the worse?

4th. Is it not wisdom, and consequently right, to use the better and more convenient, and folly and consequently wrong to use the worse?

5th. Are not gold and silver the dearest mediums, and paper the cheapest, and, in fact, the only practicable one, nowadays? Is it not, then, a moral question—a question of right and wrong?

6th. Does not a costly medium add all its cost to the articles bought and sold in some shape or other? It might be difficult to locate the cost exactly.

7th. Is it not so that a piece of gold metal which costs one dollar if owned and stamped by government costs one dollar, plus the coining and stamping, and a piece of paper which we may say costs nothing if owned and stamped by government for many purposes costs only the price of the paper, plus the printing and stamping, and is virtually 100 times cheaper if all in one dollar bills, but if in larger denominations all the cheaper? And what does this mean and involve? Think this out, ye wise men; tell us what the results and consequences are of adding 100 per cent. to the cost of the medium. I presume it is a big question, far-reaching, and pregnant with momentous consequences. Is this not a key to a Vanderbilt with his \$40,000,000 and the hard-working farmer, labourer, or mechanic, all of whom are as honest and industrious and doing more good to the world by producing the material for the food, clothing, shelter, and the real creators of the money as well? These after 60 or 70 years of hard, honest toil, perhaps not worth \$100, or \$40, all told, and a yearly saving of not one dollar. Vanderbilt, with \$40,000,000 invested at even 3 per cent., would have a yearly saving of \$1,200,000. Is not this dear money and costly money-standard one of the devil's delusions by which the Christian world has been deceived for more than one thousand years?

8th. Is not the standard or value of money, whether the material be metal or paper, its face value to buy and sell, and when deposited with the government which made and issued it, its interest value when deposited or loaned by government? This, we may say, is its real national standard to measure its value by.

9th. Is not any standard or standards other than its face and interest standard or value a mischievous fiction? What other standard is needed or possible?

10th. Is it not so that government only should issue and make legal all the nation's current money, guarantee its face value, and its interest when deposited with and issued by government? What other guarantee or promise is needed? No other.

11th. Is it not so that when government receives money on deposit from citizens it should loan it again to other citizens if they wish to borrow it, by giving the best possible security?

12th. Is there any better security anywhere than improved productive farms owned and occupied by industrious, honest, law-abiding families, the bulwarks of a nation—a wall of peace, and “of fire,” if need be?

13th. Would not unlimited coinage by government and unlimited printing of money be unsound economics, highly dangerous and most injurious?

14th. Is not unlimited free coinage of gold unjust by protecting gold-producers at the national expense, highly dangerous and fraught with evil consequences?

15th. If the United States and Canada ceased borrowing from outside, and used paper money only, based upon labour and not upon gold, would not the demand for

gold be much lessened, and, as a consequence, be more plentiful and the price likely to decline?

16th. Is not the essential thing about money its security, stability under all circumstances, and ability as a national thing to purchase and sell any and every commodity at the market price?

17th. Is it not essential and sound economics when governments coin or print money that the limit be well within the security in order to be safe, not to make more than 50 per cent. of the market value of the security?

18th. Is it not unsound economics, unprofitable and hazardous, for citizens to mortgage real estate to aliens, and consequently sound economics, profitable and safe, to mortgage to their own government, which represents the citizens, and who would receive the annual interest and in case of default, the real estate?

19th. Is not borrowing upon improved productive farms a perfectly legitimate transaction between borrower and lender, each of whom should be on equal terms, and both alike made sure?

20th. If a citizen, owner of productive real estate, borrow on mortgage from his own government, say to half the market value, why should he, as a matter of right, pay any interest to the State, or anything further than the expense of printing the money, if he pays all taxes directly and executes all the obligations of a good citizen? It is virtually his own money he is borrowing.

21st. Does not the preventing of citizen owners of real estate, say improved productive farms, from borrowing from their own government paper money on the security

of their farms—the concrete results of their labour locking up the capital of the citizen owners ?

22nd. Does not our present system of permitting or virtually forcing them to borrow from aliens on the gold standard basis unlock the door to aliens and rob the citizen and the State ? Consequently, suicidal policy.

Many more questions might be asked, but enough meantime. “Debased currency” is an expression frequently used in discussing the money question. I understand those who use the term mean that to adopt silver as a standard of money for all amounts at the ratio of 16 to 1, or paper without a gold foundation, would be debased currency. It seems to me the expression betrays a misapprehension of facts and is not strictly correct. If there were no distinction between the functions of national and international money, and silver not standard money for all amounts, and gold the only standard, then the expression would be correct; but there is no more necessary connection between national and international money than between national and international goods, further than it is convenient in exchanging goods. Nations could exchange goods without money if exports and imports were equal, or even if otherwise. Imports are now paid by exports, and *vice versa*, balances only are paid with money. Under present circumstances gold answers tolerably well, but international or empire paper money would answer much better. It would be much cheaper and save the expense and risk of hauling and transshipping gold. If the ship was burnt or lost the paper money need not be lost; not so with gold. The main function of international money is to pay balances; of national to

labour lock-
mitting or
on the gold
and rob the
al policy.
out enough
ression fre-
a. I under-
adopt silver
ratio of 16
ould be de-
ion betrays
ctly correct.
unctions of
not stand-
r standard,
there is no
and inter-
national
ging goods.
if exports
Imports
ances only
ances gold
pire paper
uch cheap-
transship-
per money
n function
ational to

pay in exchanging goods. Gold is not the only standard money even in gold standard countries, neither is it in reality the standard of money. The standard of money and standard money are two distinct and different things. Standard money is the nation's legalized money, no matter what the material may be, gold, silver, copper, or paper; they are all standard money—silver and copper to limited amounts, paper unlimited. All alike are guaranteed their face value; none of them, therefore, are debased money. The least valuable material, I believe, makes the most valuable and best money. We may call gold rich money, or the rich man's money, but a dollar's worth of silver or copper coins will buy or sell as much as a gold dollar, and so will a paper dollar. They are all equally good, honest money, none of them debased, but not necessarily all equally sound money. Gold is a high fictitious standard. We may call a man rich whose money is all in gold, a high standard man; and a man poor whose money is all in silver or copper, a low standard man, or "debased;" but we know the standard of the man is his character for honesty. So it is with his money; it is its character for honesty. The rich man's gay clothing does not exalt his character one iota; it is more likely to affect it adversely by making him proud and debase the man. The poor man's homespun does not debase his character one iota; it is more likely to make him feel humble and exalt the real man. If silver is debased money in comparison with gold, what might be said of paper, which in reality is 99 times cheaper than any metal, if in one dollar bills, and many times more so if in larger denominations? But it is infinitely more con-

10
th
se
in
lo
na
fa
ti
a
t
a
l

venient. If so much cheaper and convenient then a moral question arises, Is it right or wrong, wise or foolish, to use the most costly and inconvenient article when the cheapest, most convenient and most efficient is available, and would be such a blessing to multitudes? Governments cannot make legal dollar coins for less than 100 cents per dollar, but they can and do make paper legal dollar bills for less than one cent per dollar. To make a ten, a hundred, or a thousand dollar bill costs no more than a one; the only question is its security. Our paper money is said to rest upon gold in order to be safe and not "debased." Gold is said to rest on itself. Custom says it has an intrinsic value as money. Is this affirmation and custom warranted by facts? Verily no. Where and how do governments get the gold it rests upon which they hold as reserves to redeem their notes? This, I understand, is how the Canadian Government gets it. The Treasury Board issues debentures to any who will furnish gold for them, either coin or bullion. So that our gold redemption money, as a matter of fact, is founded upon paper, and not the best of paper at that. The people might repudiate their government's action for borrowing without specific authority. I presume such authority was never asked.

The almost universal belief that our money system is founded on gold seems to the writer not warranted by facts, and rests upon a fallacy; inasmuch as it is clear to a demonstration that our gold, upon which our money system is founded, is not based upon gold, but upon paper promises, and that our whole money system needs to be overhauled and put upon its sure foundation of truth, which is laid

then a moral
or foolish, to
e when the
is available,
s? Govern-
ess than 100
paper legal

To make a
ts no more
Our paper
safe and not
stom says it
mination and

Where and
upon which
This, I un-
gets it. The
will furnish
hat our gold
unded upon
The people
borrowing
n authority

y system is
ted by facts,
ear to a de-
ney system
er promises,
overhauled
hich is laid

in nature, viz., the foundation of labour, or the products of labour in the concrete form, employed in producing the necessities and conveniences of life, such as food, clothing and shelter materials, and not on materials whose natural functions are to assist in constructing delicate instruments, and to adorn and beautify men's persons and works.

In considering the money question we recognize the close relationship it has to the Land Question, and the fact that while it belongs to the possessor of it for the time being, if honestly got, it belongs essentially to God because we belong to Him; "We are not our own."

Money is a most useful thing; it answereth all things, we are told, and is a most interesting and instructive study. Few seem to understand money or the money question, or give it much thought further than how to acquire it, many for their good and many to their hurt. It is blessed to get money aright, and more blessed to give aright, whether got rightly or wrongly.

What is money? What is its standard? What material should it be made of, metal or paper? Who creates or makes it, and how? Should it be cheap or dear, and how cheap or dear? Can it be abundant and cheap? How long will it last? Who should make it legal and issue it? What is its right use and abuse? Who should borrow it, and on what conditions? What is interest, and what is usury? Some disadvantages and dangers of metal money, and some advantages and safety of paper money; International money. A formidable dozen of queries, but more might be asked. Let us take them in their order.

First, What is Money? Money is wealth, wealth is by labour; therefore labour is money. Money is the product of the community's labour. The community's labour being so manifold, almost universal, one thing there must be, for convenience sake, in civilized countries to represent the labours. Money is the representative medium, the one thing used in exchanging any and all products of labour. It is, therefore, simply a medium, and nothing more. There are many things the product of labour which are not put into the money medium, but which can be if men choose.

In an important sense money is like God's first great gift to man, viz., the earth, made by Him, but through man's instrumentality. By virtue of its nature it is not given free to man or to the nation, but it is loaned to men and to the nation at large for interest—a natural obligation. The earth is loaned to man with a natural, national and individual obligation upon it, as well as for the talents God has given to them. It also bears a likeness to His first gift in that it is almost universal, omnipresent and omnipotent. Everybody needs it, and has it, to some extent, in order to enjoy life. With it men can accomplish all possibilities—girdle the earth and sea with means of communication, remove mountains, change the flow of oceans, which they will do to some extent when they cut across Panama. And who knows what that may result in? It might affect the temperature of the Gulf Stream; and what then?

They can annihilate space, and photo. the unseen. Where and what may be the limit of this latest discovery?

Second, What is its Standard? What is the standard of anything? It is something fixed by common consent and established by national authority, by which articles are to be weighed, measured, bought, sold, and valued. For grains we have a sort of double standard measure or capacity and weight combined; the measure is the real standard, the weight only indicates the quality of the article measured; the cloth standard lineal measure only so many inches to the foot or yard, and so on. The nation itself has a standard, viz., its character—its integrity, worth, value in the estimation of its Maker, God. The standard of money is its character, its intrinsic worth, its value in the estimation of its maker—man; its capacity to buy and sell any and every commodity. Being only a medium, but representing all labour, active and passive, it must have a double standard, one suited to each state, active and passive. Its active standard is its face value or capacity to buy and sell; a dollar must be and is a dollar all the time and in all places of the country to which it belongs. Its passive standard is the interest it is worth—its value when deposited with the government, lying passive, while thus at rest, as far as the depositor or owner is concerned. Its active standard being of necessity fixed and made legal by government, its passive standard must of necessity also be fixed and made legal by government; its real standard being that by which it will buy and sell itself, it being all things in one. Gold metal is no more the standard of money than the commodities weighed and measured are the standards of the commodities weighed and measured. When used as a medium, it has, like all other mediums, its standard face

value, but not because it is gold. Any and every medium must have that. All materials that may be used for a money medium fluctuate according to the universal law of supply and demand, but the standard not one iota until changed by statute. This standard must be fixed and unchangeable, except by statute, like other standards, and at the most convenient point compatible with the existing circumstances of the labour necessary to produce the money. Productive farm real estate is the most real, tangible, enduring result of labour, because so necessary for human existence, and, consequently, the safest, the best and soundest foundation for money that we know of. There is nothing to equal it as a security. Under present circumstances two per cent. may be the highest point; it seems so in Britain and also in Canada. At present, prices of farm products and necessary expense incurred, money invested in farming operations, either in Canada or Britain, is not worth more than two per cent. And if prices of farm products should get lower, which they are more likely to do than to rise, one per cent. will then be thought high enough. The facilities for producing, and the means of communication, are so great, and as they increase, cheaper food and cheaper shelter will be the result. These two things should be hailed with great delight as national and world-wide blessings.

Third. What Material should it be made of, Metal or Paper? A short answer would be whichever was found by experience to be cheapest, most convenient, enough available, most enduring, and least liable to wear out or be lost or destroyed by fire. At present, of necessity, the great bulk of money used in civilized countries is paper

of various kinds and degrees of security, with a small proportion only of gold, silver, copper coins and bullion. As a rule the gold metal is (erroneously) called the standard of money, and that by which the paper is regulated. It is the foundation of, or security for, the paper; the paper is redeemable in gold only if demanded, or it is not considered sound paper. If it has no gold to redeem it, it is called rag money or fiat money. If it has real estate to redeem it I call it real estate money or sound money, the soundest possible.

There is a gross and almost universal misconception on this point. A money system built or founded upon gold is a baseless, costly and dangerous system. The fact that so few demand gold speaks volumes for the intrinsic value of the paper money of Canada. If there were doubts about the paper, either in Britain or Canada, men would soon demand the gold and not part with it. If they had the gold, and the paper not good, they would be in a dilemma, business would be paralyzed, because the gold would be so costly, inconvenient, and, above all, deficient in quantity. What is it that gives backbone to the paper money of the Scotch and Canadian banks but the limited and unlimited liability of the bank shareholders, coupled with integrity of character and good business management. Take away this liability, responsibility, no matter how good the management, what would the paper be worth? Only a few cents on the dollar or the sovereign, as the case might be, just in proportion to the amount of gold held to redeem it. Gold has no intrinsic value as a money medium. Take away, or abolish altogether, the paper money, and use only gold

money, see what a dilemma; business would stop until some other medium was found. And what medium so good in every respect could be found as paper? Take away the gold altogether and use paper, would the people be in a dilemma, or business stop? Verily, no; they have paper money in use and it works admirably; why, of course, they would just continue to use it. And if the security upon which it now rests was not quite sufficient common sense would say make it sufficient. The security the Canadian banks now give is most substantial, the best security of any banking system in existence that I know of. It can be made perfectly ample, if it is not so now, without any gold reserve. The gold reserve is simply an expense. The large rest the banks have is a substantial security. We have no Canadian gold money and we don't feel the want of it, and we don't need it. It is too costly for us poor Canucks. Certainly we are very poor as far as gold goes, but we are not poor in proportion to our population as far as labour and real estate go, that upon which sound money rests; neither are we very poor, as far as paper money goes, as a nation; but our trouble is the real estate and the paper money are rapidly slipping out of the hands of the creators of both and into the hands of those who did not in any sense create them, through the application of unsound principles in our money and money-borrowing systems.

Men are so accustomed and attached to the gold money idea it is like a second nature, and almost impossible to convince many that it is mischievous misconception, or that in place of increasing our wealth it decreases it by using it for money and making it the money standard,

or that gold is not money further than a medium. Anything will do for a medium, provided there is enough of it convenient and cheap, and proper security behind it. The security is the essential thing. Would that the gold idea, for it is nothing else, were buried a thousand fathoms deep, even beyond the reach of cathode rays.

Gold and silver are beautiful, clean metals, not liable to rust or corrode, like iron and copper, but their use is more for ornament and adornment, and not to compare in point of usefulness to iron and other unclean metals, which a beneficent Creator has made the more abundant. Our paper money is of various kinds and degrees of security, Dominion notes, chartered bank notes. Merchants' paper of all kinds, debentures, post-office orders and railway tickets are all paper and pasteboard money, each for their own purpose. The latter four are far more suitable for their purposes than the current money; they are simply a necessity for convenience sake. Far more business is now transacted by them than by Dominion and bank notes. There are some serious and fatal objections to gold money, such as cost, inconvenience, and unavailability of supply, which will be considered under the disadvantages.

Fourth, Who Creates Money and How? The man who labours. A man's labour is his wealth. New money is made thus: By labour employed in producing some new article or thing out of the ground, forest, or mine, or by skill in making some new article or thing, and which are sold over what the producer or manufacturer consumes or uses directly. If no money medium was in existence, the days of barter being past, what could we do with our

productions? Other people want them. We could take them to the government and deposit them; that merely would do us no good. The government would say, "We cannot do anything with your products." The producers could say, "Give the nation a legal tender medium to buy and sell with." The government did so by instituting and issuing paper money, and made it legal tender and on a thoroughly sound basis. The producers could then sell their products to those who needed them, and deposit as much as they did not need with the government, and get, say, 2 per cent. for it, the government loaning it out again to those who could give real estate security, so as to be able to pay depositors their interest. This is new money and how it is made and put into circulation. Labour is money, money represents labour. The labouring man creates money by labouring; the more productive his labour and the less he consumes the more money he makes. Idle money does not increase, hence he lends it to others for his own good, and, in doing so, for the good of others who can borrow it to advantage. In this operation gold is not a necessity in any sense. It is only an expense. What could governments buy gold with for a medium?

Fifth, Should money be cheap or dear, and how cheap? Cheap money would be an untold blessing to all except those who live by lending it. The latter class I will speak of afterwards. The cheaper the better, because it is only the medium we have to buy and sell our products with. A dear medium is wasteful, hurtful and foolish in the extreme. Cheap money is the one thing needful alike to the farmer, manufacturer, merchant and labourer;

and who so well entitled to cheap money as the two former, who are essentially the creators of it, they who supply the material of all kinds for merchants, labourers, bankers and others? Dear money is ruinous. The rate of interest is coming down all over because producers have been paying too high interest, they are getting too poor to pay so much, and it will come down yet further, in spite of men's foolish laws or customs, to uphold high interest and the stupid gold standard. Why, cheap gold and cheap silver would be an untold blessing as well as cheap iron to all except miners and speculators, who sell them mostly for money purposes. Governments make them artificially dear, to the hurt of all but these two classes. It is protection in gold and silver, it favours the few at the expense of the many. The national standard of money will come down to nature's point, whatever that may be, or else grievous wrong will be done. If the farmers and manufacturers of Canada had cheap money, say at 2 per cent., which they are fully entitled to considering the security they give, and free commerce they could compete successfully with the world and be prosperous. It is the high interest with protection added that has ruined so many, is fast ruining more, and will ruin many more unless we cease them both. The sooner we have cheap money, free trade in money, and free trade in goods, the better. These are the two pressing reforms urgently called for at this time.

Sixth. Can Money be abundant and cheap? It can and should be both. Money being the result of labour, if there is much labour in the country there will be much money in some shape. Speaking generally, we Cana-

dians are an industrious and not an extravagant people. At present it is not so much the lack of money in the country that is our trouble. The trouble is, it is in the wrong hands, not in the possession of those who need it most, viz., the creators of it, but of the money lenders, money changers, loan companies, bankers, and a few made enormously rich by protection, who have more than they can use profitably, and they will not lend it at such rates as the producers or creators of it can afford to pay for it. They will rather keep some of it idle; they can afford to do so by getting large interest for what they do loan.

There are several ways by which money could be abundant and cheap. We would have had much more money in Canada to-day than we have but for the vast amount annually sent to Britain in the shape of interest, by our foolish system of borrowing from outside. For many long years we have been sending out of the country, never to return, without having to pay for it again, possibly \$20,000,000 or more annually. It would be interesting to know how much since Confederation in 1867. I trust Sir Richard Cartwright will tell us some day when he has time. *One way* is to collect all the idle money in the country that is yielding no interest and deposit it with the government, and the government lend it out again on real estate only at 2 per cent., and give depositors the same interest minus the expense. How much idle money there may be we do not know, but doubtless a large sum. The chartered banks all the time have a large deposit upon which they pay no interest, generally about \$65,000,000 or more, nowadays; part of this might

be employed. What the government does with the money deposited in the savings department I don't know, but it should be loaned by government on real estate only as a security to the depositors. If this part of our national book-keeping was properly attended to, quite a large sum would be available.

A second way to increase the abundance. Suppose that of our 1,000,000 families in the Dominion even half of them, viz., 500,000 saved yearly, on an average, after all expenses, \$200 each, and deposited it with the government at 2 per cent., it would be \$100,000,000 annually added to the national wealth or currency this loaned out by government at 2 per cent. on real estate. The depositors would receive \$2,000,000 for interest yearly amongst them, and the borrowers money at 2 per cent. What a boon to them and to the country; their real estate would soon be more productive; farmers could then afford to improve their farms. As matters are at present, improvements are sadly retarded. This going on for a length of time, as it would do, and at an increased ratio, as it would under cheap money, what an accumulation of wealth there would be in a few years; the older the country got it would get the richer, there would soon be abundance of cheap money, and if Dominion taxes were paid direct how things would boom without bursting. Cheap money. It would be, next to cheap land, the bottom bed-rock of our superstructure. Cheap land and cheap money involve cheap food, cheap shelter, cheap everything, a cheap country to live in, just the very things a beneficent Creator has made provision for his children to enjoy. The proverbial sweat of the brow would be per-

ceptibly lessened by thus acting out enlightened Christianity, and, with our improved machinery and appliances to lessen and expedite labour, agriculture would be the king of occupations.

A third source open to have an abundant supply of cheap money. Canada has, say 100,000,000 acres of alienated lands and 5,000,000 people, divided thus, say 3,000,000, or 600,000 families, which would give a 150 acre farm to each engaged in agriculture, 2,000,000 or 400,000 families, engaged in manufacturing, merchants, exchanges of all kinds and occupations, the latter having the remaining $16\frac{2}{3}$ acres to each family. Suppose each of the 600,000 farms occupied, improved and successfully worked, and the average value, \$5,000, were mortgaged to the government for \$2,000 each at 2 per cent., would be \$1,200,000,000 at 2 per cent. for as long as the borrower liked to pay the 2 per cent. There would thus be an annual revenue of \$24,000,000 to the government, and \$1,200,000,000 of money in circulation, a great part of which would be spent in improving and beautifying our farms, and making them more productive. It almost takes one's breath away to think of this source so available of such an abundant supply of good, sound money within our reach, compared with our present poverty of money capital to further improve our farms. At present we borrow on farm mortgages money at from 5 per cent. to 8 per cent. up to 50 per cent. of the value for only 4 or 5 years at a time, and the interest, a vast sum, is lost to the country every year. This plan would give money at 2 per cent. as long as they liked, and only up to $33\frac{1}{3}$ per cent. of the value, and the government receive a

large annual revenue. If government had not enough deposit money to loan this large amount if applied for, simply print legal tender notes for the balance, and cancel so many every year, if need be, with the interest received, and if they were never cancelled they would be as sound money as any, because of the security being so simple, viz., a \$5,000 farm for a \$2,000 loan.

A fourth source. Money saved and stored for a rainy day. Suppose an average family, of five persons the parents and three children. That for each child from birth, until the age of twenty, the father deposited \$1 yearly with the government at 2 per cent. compound interest, for the mother \$50 yearly from 20 to 60 years, and for himself \$100 yearly from 20 to 60. Each child, or young man and woman, at the age of twenty would have $\$24\frac{79}{100}$ at their credit, the mother, at 60, would have $\$3,080\frac{50}{100}$, and the father himself \$6,161. And those who never were married, each man and woman from 20 to 60, deposited \$100 and \$50 respectively for themselves, what a nice sum each would have at their credit at 60 years of age. If one family could do this, and surely it ought to be attainable if things were even half right, many could lay past far more if they had a mind to. Why could not the vast majority of our million industrious families do the same? What a vast accumulation of money deposited with government, and an equal amount available to loan on real estate at 2 per cent. What would then be the need for life insuring? Each insured his life as he went along life's journey without any insurance agents dogging every likely man's steps to insure his life.

In answering the Fifth question, it was said cheap

money would be an untold blessing to all, except those who lived by lending money. How would it affect the latter class? Money is loaned by loan and trust companies on real estate, by banks for the country's commerce, and private individuals everywhere to loan companies, banks, corporations in debentures, to individuals and the government savings bank. As regards loan companies, banks and corporations, sympathy for them, as such, is not required. They are there simply because there is a demand for them, and they make money in hard times when others do not. Under present money arrangements, or, more properly speaking, derangements, they are on a paying basis. Those of them which could not exist and thrive under Free Trade in money had better give up and try some other occupation like other folk. Those who would suffer for a time would be those who had money invested in shares in loan and trust companies, banks and corporations, dependent upon them for a living who were unable to work, such as minors, disabled and aged people. As for the children, the parents ought to lay up for them, we are told, and the aged are the special care of the grown-up sons and daughters. If the disabled and unfortunate were the only ones in the community that would suffer, would they really suffer want? Our present outflow of beneficence, small though it may be in comparison with present needs, is an answer to the question. If all had been making some prudent arrangements for a rainy day, as outlined above, methinks minors and infirm by reason of age or otherwise would not have been so dependent upon dividends from soulless corporations. Banks are a

necessity, and I presume will be. The most important thing for them, for the general good, is that they be established on a sound free trade money basis.

Seventh. How long will Money last? New money that is created by labour and put into the national medium is there for all time, or until it wears out, and, if paper money, its youth can be renewed perpetually at a nominal cost. Money follows and ministers to men's wants after they cease to labour; even after they die it works on, or is ready to work when employed. It abhors idleness as truly as air abhors a vacuum. No matter how often it changes owners, it is always ready for work. We read of good men when they die that they rest from their labours and their works do follow them, or, for their works follow with them (R.V.). So it is with money.

Eighth. Who should make money legal and issue it? Being a national commodity, the government of the country, it is manifest, only can make it legal, and ought to issue it as well. And being a representative thing and not the thing itself, and costs a mere trifle to make and issue, why should a few chartered banks have the power to issue and thus have a monopoly? It is simply class legislation, a thing which cannot endure under good Christian government, except for unfortunates, criminals, or madmen. What reason, in common fairness, is there in giving a few men, mostly rich men, a monopoly of a national thing? Common sense says the nation which makes it legal and issues it should reap any incidental or legitimate advantage that flows from it. This is one of the last monopolies that will die; it may die hard; nevertheless, its doom is written and is coming apace. If we, as wise

men, do not take time by the forelock and relieve its death of unnecessary uneasiness and pain, circumstances will do it for us by a lingering and emaciating, galloping or lingering consumption, just according to our knowledge and wisdom exercised. We, as wise and supreme physicians, have the power of its life and death in our hands. If Canada abolished this monopoly when the bank charters expire about the end of the century and had free trade in money, well would it be for Canada as a whole, and not one whit injurious to the best interests of the bankers. There is a good deal of misunderstanding in the public mind about banking business. Those who understand it tell us that, “*our banks have authority to issue from 35 to 50 per cent. more than they have done—that is, they work with from \$24,000,000 to \$30,000,000 less circulation—less monetary resources than they have power to use by law,” simply because the money won't stay out; it comes into them in spite of them; “*the whole drift and tendency of modern business methods are to lessen the volume of bank notes in circulation, as payment by cheques is becoming almost universal.” They do vastly more business by cheques and merchants' paper than by bank notes.

Ninth, What is its right use and abuse? Its first manifest use is to enable us to live. Its next to pay our debts, not before the necessities, but before the luxuries of life are enjoyed. And here comes in a nice point, When or where does the one end and the other begin? This must be left with the individual and his Maker to settle. It may be a lifetime work to settle

* Insurance and Finance Chronicle, Montreal.

that. The right uses it can be put to are so manifest it is needless to specify; each is accountable and, as a rule, has little difficulty in knowing some good purpose. It is sometimes difficult to tell whether to give it when unsolicited for some praiseworthy object, or to employ it in increasing business, with the view of having more to give for some good purpose, and, consequently, for the glory of God. "No man liveth unto himself." The great question, What is the chief end of man? is involved. No man has a right to waste it. It can hardly be wasted. Many by its wrong use waste themselves, but not the money. No sane man will destroy it. The greatest waste we Canadians are guilty of is in banishing it from the country in the shape of annual interest. It is lost to the country, but not to others. What illimitable fields for usefulness are always open to us it is needless to expatiate on.

Tenth, Who should borrow, and on what conditions? Only those who can profitably do so. Borrowing is a commercial transaction, and should be on fair and equal terms to both parties. "The borrower is servant to the lender," the wise man tells us, not that it should be so. It was so in his days and is so in ours yet, but applied Christianity is going to change that as well as other unfair things. The laws of Christian countries should be so framed that borrower and lender are on an equality. Lending and borrowing is just a temporary sale for a definite limited time; a mutual benefit which implies a mutual obligation. The lender must be made sure of his own at the specified time, and the interest annually. The borrower must be as sure as possible, and not hin-

dered and hampered in his business operations by unjust and uncertain laws that may render it impossible for him to meet his obligations. There must be fixity of trade regulations, and they can only be fixed by being free all the time, and a fixed national suitable money standard, a standard which will not change except by statute, and which should never be changed without due consideration and timely notice, and then men would know what they were doing. As things are at present, the borrower is at the mercy of circumstances to an enormous extent, through the want of these two essentials in our national laws. Our borrowing upon land is on a wrong principle, at least from a wrong source.

Eleventh. Interest and Usury. Money being the product of labour, nature does not forbid interest when loaned, nay, it demands it as a right. Money, that from which interest is derived, is essentially individual and also national in a special sense; consequently, interest must vary according as it is individual and national for the time being. The interest which governments give for it when loaned to them must be fixed by statute. The interest when in possession of individuals must not be fixed by statute, but by individuals, because it would be a violation of individual freedom of action. It would be as wrong to bind men to a fixed rate of interest as to bind them to sell their goods at a fixed price. Exorbitant interest is what we understand by usury—more than what the law allows, or ought to allow, for governments to give more interest to individuals for money deposited with it than the national interest would be usury. And for governments to charge more than the

national interest, and put it into revenue, would be making individuals pay usury to the nation. What the individual paid over the national interest he was made to pay to others who had no claim to it. Individuals, banks and others must be left free to charge and pay what interest they mutually agree upon. Under our present derangements and arrangements loan companies are charging usury all the time, inasmuch as the law very wrongly allows or virtually compels men to mortgage their lands to them at, say from 5 per cent to 7 per cent., when the government only should be the mortgagee, and the interest they ought to pay the government is the national interest, say about 2 per cent. at present is all it ought to be. The banks in charging say 8 per cent. for short dates is not usury; it is only fair interest; it pays both the lender and the borrower. Take a typical example. Say a merchant borrows \$1,000 for three months at 8 per cent. per annum; he gets from the bank \$980; the banker gets \$20 for the three months, with about one minute's time spent in the transaction. The merchant, say a drover, buys and ships 30 cattle each week at \$1 per head clear profit $12 \times 30 = \$360$. At the end of three months, with the proceeds of the last shipment, he pays back to the bank the \$1,000. Four times $\$360 = \$1,440$ profit for the year. Many drovers ship two times in a week, and some from more stations than one, and also look for more than \$1 per head of profit. Many merchants turn over their capital many times a year through the help of the banks, and have many profits in one year; but the farmer has only one crop, one profit in the year. Should his land bring forth a hundredfold he would do well, but if only

sixty or thirtyfold after expenses all told are paid and paying 7 per cent. over and above, there is nothing left if the prices be low. But if his land yield only twentyfold, which would be about 25 bushels of wheat and 50 bushels of oats and barley to the acre, which is above the average, in many cases not over half that amount is reaped on account of circumstances beyond his control, such as untimely frosts, drouth, storms, rust, midge, weevil, wireworm, joint worm, Hessian fly, pea bug, and other things; in the case of stock, cattle diseases, flies of all kinds, cattle embargo; low prices, dear implements, dear living on account of tariffs, and upon the top say 6 per cent. on half the value of the farm, and add to that the national debt interest of 3 per cent. or 4 per cent., for it comes upon the land in the long run, and where is the farmer? Is it any wonder times are hard and farm property depreciating in value? I can speak as a farmer of 34 years' experience in Canada, that money loaned on real estate farm property at present is not worth more than 2 per cent.; but give Canadian farmers the opportunity to mortgage their farms to their own government at 2 per cent., and for as long as they choose to pay it, and things will boom in Canada without danger of bursting, unless it be through too great worldly prosperity they forget the interest they owe to their Creator and Redeemer.

Twelfth. Some Disadvantages and Dangers of Metal Money and Advantages and Safety of Paper Money. The principal disadvantages are Costliness, Inconvenience, Comparative Scarcity of the kinds used, Gold and Silver, Liability to wear and be lost, Liability to fluctuate, and

Danger of being cornered by speculators. Having gold and silver mediums costing their full face value adds 100 per cent. to the cost of the medium. Why have a costly medium when a cheap one is equally good, or better? Its inconvenience is so great that it cannot be used for a ten-thousandth part of the country's commerce. It can only be used for small transactions; its greatest use is for fractions.

The comparative scarcity is a fatal objection. It is liable to wear away and be lost. The wearing away process may seem small; but is it small in the aggregate? In the bank of England sovereigns are not counted; it is too inaccurate and slow; they are shovelled and weighed and the value arrived at by weight—the tear and wear is irrevocably lost. If shipped to other countries, if the ship founders and goes down, gold and all is lost in the bottom of the sea. Its liability to fluctuate is another serious objection. Gold does not fluctuate much; but what is the reason? Is it not because so many countries use it for money purposes, and by making it the money standard, even the standard by which silver money is valued? This liability to fluctuate, combined with making it the standard of money, gives speculators an opportunity to corner it; and to make money without working for it is simply protection of gold metal. Because of this fluctuating quality there is always danger, both from sudden demands for quantity in proportion to the supply, and great increase of supply and small demand. As examples, let us quote from "The Insurance and Finance Chronicle": "India seems like a bottomless well in its capacity for absorbing metallic treasures. In the last

33 years it has imported \$1,786,125,000 of gold and silver, or \$54,000,000 worth each year. This vast sum is stated on good authority to have gone to swell the accumulations of the native princes and other wealthy inhabitants. Should they ever develop spending tastes, the effect on the metallic currencies of the world would be serious." "The price of silver fell recently in London below the record of 28 pence per ounce. The mischievous results of a coinage chiefly of a metal liable to such serious depreciation as silver, as shown in recent years, is seen in the panic which has been caused by the recent decline in this metal. It is little known that in Lancashire mills and warehouses the fluctuations in prices of silver are watched daily, as wheat prices are on the stock exchange, financial and shipping operations having to be regulated according to this monetary barometer. The days when any coin, as the rupee in India, is the standard of value for a country is coming to an end. A standard should stand firm; not jump up and down like mercury in a thermometer, as silver does, to the extreme disturbance of all trade dependent on its value." In the United States, "in 1878, fine silver to the extent of 291,272,000 ounces were purchased at about \$1.06 an ounce. In 1890, 168,674,000 ounces were bought at 92 $\frac{4}{100}$ cents per ounce, these enormous purchases first elevating and then, by over-stimulation of production, depressing prices. The cost of these purchases was \$464,210,000. Silver a few days ago was quoted at 60 cents per ounce, so that the silver bought by U.S. Treasury, valued at current rates, is now worth \$276,000,000, being \$188,210,000 less than it cost. The probabilities all point to a further reduction. Ex-

perience first-hand is an expensive article. The U.S. people have paid 188,000,000 of dollars to find out a fact about silver which has been notorious for ages, viz., that it is a marketable commodity like wheat and other products." Verily, "folly is wasteful and wisdom economical." In so far as these facts have reference to silver they are equally applicable to gold; gold is a marketable commodity like wheat or silver. "Bad coins of good silver seem on the face not possible, but the great difference between the net value of American dollars and quarters being now so low compared to their face value, coiners are issuing bogus coins made of silver equal in quality to the genuine. The margin between these spurious coins and what they pass for is over 36 per cent., amply sufficient to cover cost of making and leave a large profit. This was done in days when English coins were made seriously below their face value."

In the future, and so long as gold the world over is made the standard of money, will there be a demand for gold to be held in reserve to redeem the paper money, to what extent no man knows. Should the supply of gold seriously decrease, a gold famine, and consequent panic, will be the result, and speculators will take advantage of it and take the nation by the throat. What will there be to prevent a dozen or two of very rich men laying their heads together, convert their wealth into redeemable paper, and demand all the gold reserves, both in Canada and the U.S.? If they did so, they had both countries by the throat. What could the governments do? They could not get more without buying it, and what could they buy it with? (This might be the

best thing that could happen. It may possibly require some such experience to bring people to their senses, so that they may be led to consider to the bottom the money question, and put it on the rock foundation of labour, and discard the gold standard altogether.) This is the great danger of a metal standard, as it is called. Britain could take the Yankees and Canadians by the throat by demanding gold for their loans, which are all on the gold basis, and make them bankrupt—but not the people, thank God, who rules above millionaires and governments. The people can alter our money system; and we are going to learn wisdom in this matter, and put our money system in a better, simpler and more profitable shape, and at the same time pay all our debts, as we now do, by the good hand of God giving us the ability and willing hearts to work in unison with Him, and through His wondrous works in giving sunshine and rain and fruitful seasons, filling our homes and barns with all manner of store and our hearts with joy and gladness.

Should the supply of gold increase enormously the world over, as it is quite possible it may in the near future, what then? Suppose it became as plentiful as iron or coal, what then, if we still kept to the gold standard? The result would be lots of bogus coins of good, genuine gold issued by counterfeiters, and who would that benefit but the counterfeiters and gold diggers, not us Canadians one iota, unless our gold diggers and counterfeiters, if we had any of the latter persuasion. And what wrong would the counterfeiters be doing to anybody if they put lots of good, genuine gold sovereigns in circulation, if gold is sound standard money? Suppose

in Canada we found a gold deposit of a few acres and in each man's farm a cubic yard. Canadians, with their mortgaged farms and national debt, would send shiploads to Britain and pay off our indebtedness, and what wrong would we be doing if Britain still kept to the gold standard? Methinks if we and other countries paid our debts to Britain in gold, and not in produce, Britain would change her gold standard mighty quick. She would want goods; "Food, food," would be the cry, and "We will pay you in manufactured goods. We will not lend you any more money on the gold basis."

The advantages and safety of paper money are great indeed and must be patent to all. It is the cheapest of all mediums. A Bank of England bill costs only about one cent, a dollar bill, a ten, fifty, or a thousand dollar bill not any more, I suppose. It is the most convenient of all mediums of national money, so much so that virtually the world's commerce is conducted by it. When it wears out it is not lost but can be renewed at a nominal cost, and if lost in the bottom of the sea or burnt in a great conflagration it need not necessarily be lost. If the proof of the loss be absolute, and the numbers and denominations of the notes known, they could be replaced same as lost drafts, cheques, or P.O. orders, when names and amounts are known. Who would be wronged, or what right principle violated, by so doing with the national money, as is done with the individual? None whatever. It would be a national benefit through the individual not suffering loss. There need be no limit to the supply, because the supply will be in proportion to the labour, industry and frugality of the citizens; the greater

these conditions prevail the greater the supply will be. And the millionaires and speculators could neither corner nor monopolize the labour, the industry, the frugality ; they would rather need to exercise these qualities. This is the great safety of paper money. It has not one disadvantage. Gold has many disadvantages. Why in the name of wonder do we Canadians not look into the money question? We are asleep on this matter.

International Money. Commerce being international to such an extent as now prevails, international money suited to the times and circumstances would be a great convenience. Free commerce, "the international law of God," as Richard Cobden so beautifully puts it, is a necessity for the welfare of nations, a great civilizer, and, when conducted on Christian principles, a great Christianizer. Our present system of money derangements is just in keeping with our commercial tariff derangements. Both of them are alike awkward, stupid, foolish, wasteful, and therefore unchristian. This reform would be very easy of accomplishment, and there is a very simple way without John Bull having to give up his gold sovereign idol. The simplicity is so apparent it is a wonder it has not been accomplished before now. Doubtless it would have been but for the time and energy worse than lost in discussing and working out tariff nostrums and nonsense on this side of the Atlantic these thirty odd years back, and in Britain, necessarily no doubt, in discussing and fighting over Home Rule and other evils springing out of the land regulations and social problems in general.

To have a common decimal system for Britain, Canada

and the United States would be the simplest thing imaginable. Even if Britain should continue her gold sovereign and gold standard, let her do so; it is her own business, it will only hurt herself. Let us Canadians, at any rate, put our money system upon a sound paper basis and discard gold altogether, and have the honour of being the first Christian people to appreciate the excellency of paper money founded on labour, and keeping silver coins as current money for fractions of a dollar. All that Britain would require to do would be to make her halfpenny and sovereign a very little different in value or relative value, call her halfpenny the five-hundredth part of the sovereign, and her intermediate coins to fit in. Britain's currency is halfpenny, penny, three-penny, four-penny, sixpence, shilling, florin, crown, sovereign, and £-note. Canada's, cent, 5 cents, 10 cents, 25 cents, 50 cents, one dollar bills, fives, etc. All that Britain would need to add would be five and ten-cent pieces and abolish her three-penny and four-penny pieces, and make her crown four shillings in place of five shillings, and be equal to our dollar. And Canada would add a 12½-cent piece. And to please Britain and show respect to the sovereign call our five dollar bill a sovereign, or suveran, which Webster tells us is the true spelling. "We retain this barbarous orthography from the Norman sovereign, which doubtless was adopted through a mistake of its origin." And let each country fix their own national standard or interest to suit themselves. At present it would be found that 2 per cent., the present Bank of England rate, would be most suitable for both countries—quite likely for a considerable time to come.

International money and international trade are closely connected, the former being a representative, the other the things represented. Britain, by her system of freely lending money to other nations and free trade in goods, has prospered amazingly. These two fundamentals, along with government by men of integrity and high moral character, as the first consideration, have put and keep her in the foremost place among the nations of the world, and will keep her there until other nations adopt the same things. If Canada, in place of dawdling along like slaves with bad rulers, and indefinitely with tariffs further wasting herself until by sheer force of circumstances she is compelled, as Mother Britain was, to adopt free trade half a century ago, would adopt free trade in goods, and inaugurate free money on a sound paper basis, she would have a great advantage over Britain, because of her vast supply of raw material within herself in land, minerals, timber and fish.

Canada, if she is wise in her day and generation, will show to the world what the principles contained in the Old Gospels, combined with the New, can do to put her worthily alongside, if not ahead, of the Mother Country and the U. S., as she will do if they stick to the gold idol and she cast the idol aside. Circumstances alone, if we do not take good heed, will force us to adopt free goods and free sound money. It will be either these or protracted dispeace, with poverty, bankruptcy, revolution, or repudiation if we continue our present system of borrowing for another decade or two, even if we substitute what is called a revenue tariff.

If Canada and the U. S., before the close of the cen-

tury, would adopt paper money founded upon property productive of the essentials of life and comfort, they would pay all their debts and obligations same as now, and with same materials, and be better able to pay them than they will be if they continue the present system and adopt free trade in goods and money, and also stop borrowing from outsiders; it would be a new epoch and have far-reaching consequences. It would put the keystone upon the nineteenth century. These things, there cannot be a doubt, are essential to the salvation of both countries, and would be found to be incidentally great purifiers of politics. A purifier is the great need of the times. They would be like trees, the roots deeply and securely embedded in good soil, the branches spreading farther than the roots, and as if "planted by the streams of water, that brought forth its fruit in its season, whose leaf also doth not wither," the leaves verily would be good "for the healing of the nations."

SOME SPECIAL CONSIDERATIONS.

Let us, as wise Canadians, consider some important matters partly suggested by the foregoing consideration of the Money Question and the closely related Land Question considered in a previous pamphlet on Direct Taxation.

Real estate in Canada has depreciated to an enormous extent of late years, say the 12 years 1883-1895. For city and town property I pretend not to speak, but, as an Ontario farmer of some 34 years' experience, can speak to some extent for the Dominion. The general idea or be-

lief is that it has depreciated from 25 per cent. to 30 per cent. Some say 40 per cent. The *Montreal Witness* on March 17th, 1896, says: "The value of improved farms in the east (referring to Ontario and the Provinces further east) has been reduced probably more than one-half on the average." Say there are 500,000 farms of 100 acres each in the Dominion, on the average, worth \$4,000 in 1883, which is under the mark, the total value would be \$2,000,000,000. Lowest estimate 25 per cent.= \$500,000,000 depreciation. Medium estimate $37\frac{1}{2}$ per cent.= \$750,000,000. Highest estimate 50 per cent., probably more, = \$1,000,000,000. Twelve more years at this rate and the whole is wiped out, and 24 years at the lowest estimate.

The yearly income of the farmers of Canada some time ago, Sir Richard Cartwright said, was reduced by \$20,000,000. Some one else more recently put the sum at \$30,000,000. Sir Richard Cartwright, I doubt not, will believe me as one speaking from experience, that both sums put together do not now represent the sum total by a long way. Take a typical case in this part of Ontario. The sales on an average farm, in the rough, are about as follows:

Say 4 fat cattle=5,000 lbs. weight,	reduced price	$1\frac{1}{2}$ c.	per lb.=	\$75
" 30 fat lambs=3,000	"	"	"	1½c. " = 45
" 15 pigs =3,000	"	"	"	1½c. " = 45
" 80 fleeces wool=150 lbs.	"	"	"	10c. " = 15
" one horse	"	"	"	= 65
" 100 bushels of wheat	"	"	"	40c. " = 40
" 250 bushels barley	"	"	"	30c. " = 75

\$360

The expenses are just about as high now as they were years ago, but to make some allowance for reduction, deduct the odd \$60, leaving \$300 for one. Ontario's \$200,000 \times \$300 is \$60,000,000 for Ontario alone. But go to some other parts of the Dominion where barley, horses and wheat were specialties, and what do we find? Say a farmer sells 2,000 bushels of barley at 30 cents, reduced price is \$600. Another sells, say, 10 horses at \$75 reduction = \$750. Another sells, say, 5,000 bushels of wheat at even 30 cents less = \$1,500. The only class whose income has not been much reduced are those who made cheese a specialty. These facts tell the tale and furnish the key, the reason, the kernel of the depreciation. Is it any wonder farmers and those dependent upon their success have been complaining of hard times? Will some city brother kindly sit down, as the writer has done and thought out matters, and tell us how much city and town real estate have depreciated, and how much the income of the average citizen has been reduced, and how much capital has been dissipated on unsuccessful enterprises during the past twelve years after the "National Policy" was fairly into working order? City men and countrymen, our interests are all one. We are brothers. Tell us how much our total loss amounts to, and then we will sit down together and talk over matters.

Now what has been the cause or the causes of this depreciation of property and reduction of yearly income? Is it to continue, grow worse, or get better? One of them it will be. As wise brothers and sisters, sons and daughters of the same kind Father, let us *consider* our ways, and ask ourselves are any means within our reach

to mend matters; for change of some kind there will be. If we, as wise men and women, do not of our own will make a change, circumstances or Providence will do it for us, as was done in Britain in 1846, when it was either free bread the staff of life, starvation, or rebellion. In our case it will be either free trade in goods and money, which are the same thing, or, bankruptcy and slavery to alien landlords; rebellion or repudiation, which latter is passive rebellion, and the last thing Canadians would think of. The great Conservative party in Britain, headed by Sir Robert Peel, yielded just in time to the inevitable, and carried free bread and saved the nation. The men who dreaded ruin most were the very men that prospered most, viz., the landlords and the farmers, for a long number of years, as a direct result of the enormous expansion of commerce. Free bread opened the door for freedom in many other things. Free Bibles preceded free bread seven years. Free newspapers soon followed in the wake, and free knowledge.

What has caused the depreciation of real estate? Simply the reduced incomes of the farmers. What caused the reduced incomes? Simply reduced prices of farm products, without a corresponding reduction in farm expenses; this we may say is the sole cause. As a rule, farmers have not lived more extravagantly so as to account for it, many have been cutting down expenses for many years, doubtless some have been indulging in too big and too fine houses, top buggies, pianos, and binders, to their injury; but if they had not indulged in them, so much the worse for the builders and manufacturers unless they did not pay for them; but as a rule

these things are better paid than the blacksmith's or doctor's bills, and gospel bills if there were any of that sort. Neither has it been caused to any extent on account of general failure of crops nor deterioration of the soil. Let us be thankful most of the farmers, notwithstanding the hard times, aim at and do tolerably well keep up the fertility of the land. If that goes, all is gone.

The price of farm products we cannot control or regulate; that is done by others elsewhere, and they are more likely to decrease than to increase. We are powerless here, but we can control and regulate the expenses, to a great extent, to a greater extent, than almost any man imagines. We are not powerless here, but all-powerful. Were these controllable expenses needful or a necessity, unavoidable or avoidable? To ask the question is to answer it. What has been the chief controllable expenses? Dear goods and dear implements by tariffs, which prevented living cheaply and producing cheaply, and dear money—dear capital to carry on our business, improve our farms and make them more productive. How much is the loss to the many by tariffs? The writer assumed it at \$50,000,000 in his former pamphlet. Sir Richard Cartwright says our tariffs take from the people \$2 for \$1 that goes to revenue; in some cases 10 for 1—that is, as \$40,000,000 is to \$20,000,000. If our customs and excise take well-nigh \$30,000,000, including cost of collecting, that would be \$60,000,000. Mr. McCarthy puts it higher. Here is \$60,000,000 yearly of unnecessary expense by our tariffs, a great part of which is borne by the farmers. Because they cannot shift any of their share, they have to bear what others shift.

If this \$60,000,000 of unnecessary expenses has been caused by dear goods, what about dear money and high interest, for our money is just our goods in another shape? We will divide the money into two classes. First, for a long time we have been borrowing mightily from Britain individually and nationally, paying on an average for individual borrowings, say, 7 per cent., which is under the mark for a series of years, and, say per cent. for the national debt. This latter is just a mortgage on the farm lands without any other security than our good name for honest industry and peacefulness as citizens, virtually making the interest 11 per cent. In all prudence and fairness the first mortgager who gives the undoubted and unimpaired security should have money the cheapest; but we have reversed the case and made the poor man carry, not only his own burden, but the nation's as well, for it comes to that in spite of us. By doing so the farmers are rendered less able to pay their own debts, and, consequently, less able to pay the nation's. It is worse than burning the candle at both ends, because it takes away the ability to improve and render the farms more productive. If during, say, the twenty past years farmers had been paying only 4 per cent., the rate paid on the national debt, their farms to-day would have been more productive and, consequently more valuable.

For some time the writer has been trying to find out the sum total of farm mortgages in the Dominion, but has been unable. We know the national debt is about \$300,000,000 gross. It would not be extravagant to suppose the total real estate mortgage, farm and city, in

the Dominion to be about as much, and which has been paying 3 per cent. more than the national debt has been paying. This would be \$9,000,000 more the individuals have been paying than they should. These would make \$69,000,000 unnecessary and avoidable by good management. Why could not the government arrange with the money lenders to lend money on real estate as cheaply as is done to the government, seeing that real estate and the owners of it are the only security for the nation or anybody else? *Second.* If borrowing from people outside the Dominion is an unsound principle and, consequently, sound economics to borrow from our own, then we are paying now more than we need be doing if we made our laws so as to give and keep Canada for the Canadians, and not liable to be seized lawfully by aliens. If the \$300,000,000 borrowed from outside Canada and paying at present, say, 6 per cent., were borrowed from our own government at 2 per cent., the government would receive \$6,000,000 for revenue and the mortgagers save \$12,000,000; this would virtually be \$18,000,000 saved to the Dominion. If the national debt was put upon the same basis, which is now paying, say, 3 per cent., it would be a total of \$27,000,000 saved. By doing so no right principle would be violated, nor would there be any risk or loss, but all gain. The national debt was borrowed to be spent on productive works such as canals and railways; the revenue from them would be the counterpart of the interest the real estate mortgages were paying.

Toronto, in taxation matters, is just the Dominion in miniature, with one important difference. Through the

false unearned increment theory she has been borrowing on mortgage on fictitious values, and hence much loss. In many cases, it seems, the properties mortgaged are not worth much more than what they are mortgaged for, whereas the farms mortgaged throughout the Dominion are worth at least double, and a vast number not mortgaged at all. It would be interesting to know the relative proportions of mortgaged properties in cities and towns compared with farm properties that are free from mortgages.

A leader in the *Toronto Globe* of November 19th, on the Civic Situation, is in part as follows. It is most instructive at this time, and verily profitable for doctrine, for reproof, for correction, for instruction in righteousness.

THE CIVIC SITUATION.

"The civic situation may be summed up in three words, 'debt, taxation, assessment.' Our debt is too high, our assessment is notoriously beyond actual values, and our taxation is burdensome in the extreme. Civic reform in the commonly understood sense, that is to say, the improvement of the machinery at City Hall, while it may bring better men into office and give better methods for the future, can do little towards easing the taxpayers' load or mending the broken fortunes of hundreds of citizens. There is but one way of doing these things, and that is by reduction of debt, reduction of taxation, reduction of assessment. If the citizens would frankly acknowledge that as a municipality Toronto has been straining its income, and recklessly piling up debt, there

would be prospect of speedy betterment. The real difficulty is that there is a party in the Council backed by not a few citizens, the members of which still talk boom. If it is no longer real estate boom, it is aqueduct boom or some other variety.

“What is required to place the people of Toronto, individually and as a community, in financial security once more, is not boom talk, but work and economy in public and private expenditures. This city is too great, its interests are too widespreading, to be at the mercy of an element whose mania for unhealthy speculation threatens the public credit. Toronto has all the essentials to metropolitan life. It is the seat of government of a fertile and wealthy province. It has educational institutions such as few cities can boast of. Thousands of students crowd the halls of its colleges, and the tendency is steadily toward the expansion of the educational facilities of the city. The mercantile interests of Toronto are little, if any, less important than those of Montreal, and the tendency of the times is demonstrated in the opening of branch houses here by prominent Montreal firms. The slow development of manufacturing was long the least satisfactory feature of the business situation, but of late the disposition of manufacturers to leave the city on the promise of a bonus elsewhere has been checked. The Massey bicycle factory, the glass works, the new Cobban factory, the enlargement of the Kemp tin works, the removal to Toronto of the Metallic Shingle Works of Montreal, are all evidences of a revival in manufacturing. To these things the optimist turns, and, viewing them, says Toronto is all right.

“ But there is another side to the shield, and it is to be feared the facts that may be cited by the pessimist are quite as important as can be presented in favour of the prosperity argument. If the city were not in debt, and if the citizens individually were rid of their indebtedness, there can be no question that Toronto would be to-day, not only making a living, but an exceedingly good one. It is the incubus of bad investments, of ruinous speculations, of wealth sunk in unused public and private enterprises, that weighs the people down. There were in the city in 1894, the last year for which we have a return, 4,976 vacant stores and dwellings. Of the 10,850 acres in the city proper, there were 3,562 wholly vacant. That tells the whole story. Behind these facts one can imagine all that is involved to owners of real estate, in the overbuilt condition of the city. The rentals of all property, save in the business centre around King and Yonge, have fallen enormously, so much so, that in many cases much of the revenue is eaten up in taxes. The owners of vacant land see no hope of turning their property to use by building upon it, and continue to pay interest and taxes in a hopeless sort of way, because of the covenant in the mortgage that carries a threat to deprive them of all their savings, if the property cannot be sold for the face value of the mortgage. Had the citizens only lost their own money in the house-building and land-buying period, the trouble would have been almost over by this time. The land would have gone back to the city for taxes, and the houses would have lain idle and exempt from taxation till required.

“ Much of the money lost in these houses and lands,

however, was not the money of the people of Toronto. The money of English capitalists and of the small investors throughout the province was loaned on mortgage on these thousands of vacant houses and vacant acres, and from the earnings of to-day the citizens have to pay not only taxes, but interest on capital that is non-existent, or that is earning no return. It is this that keeps Toronto in deep water, and that will cripple the city, until by some years of the strictest economy the private and public obligations of its citizens are redeemed. It is more than ever necessary to set before the people as clearly as possible the growth of assessment, debt and taxation in Toronto, and the part played in that growth by the City Council, by the property owners directly, and by the School Boards and other public bodies which spend the taxpayers' money. Civic reform, in its financial aspect, is more important, and, we believe, more urgently required than even reform in the machinery of Council. The citizens must be impressed with the fact that the troubles of to-day are the result of financial excesses in the past, and that any attempt to improve the machinery of Council that does not recognize extravagance rather than corruption, as the besetting sin of the Council and officers of the corporation, and of the people themselves, must assuredly fail.

"In the accompanying calculations an endeavor is made to show the gradual increase of per capita taxation in the city, and the proportion of the taxation resulting from the abnormal increase of the city debt during the years of the boom. The period reviewed begins with the year 1887, when the fever of speculation was just beginning

to make itself felt, and before it had materially affected the city's expenditures. The following table gives the population as returned by the assessors, which, it may be observed, is invariably from 10,000 to 12,000 below that shown by special census—the taxation for all purposes inclusive of local rates, and the taxation per head of population:—

	Population.	Total taxation.	Taxation per head. \$
1887	118,403	1,481,499	12.51
1889	139,452	1,963,145	14.07
1891	167,439	2,974,554	17.76
1893	169,099	3,291,950	19.46
1895	174,309	3,018,058	17.03

The estimates on account of debt are at page one of the estimates:—

Local improvement debt, annual rates thereon.....	\$ 715,000
General debt charges, less waterworks.....	699,000
Total.....	<u>\$1,414,000</u>

“Here, then, is the fact, and no special pleading can overcome it, that of \$3,018,000 taken by the tax collector this year out of the pockets of the people of Toronto, \$1,414,000 were for no other purpose than meeting interest on debt, and repaying money borrowed.”

Here is the Queen City, full of wise and benevolent men, taxing herself for municipal purposes \$3,018,000, of which \$1,414,000, or 46.85 per cent., spent in paying interest and sinking fund on borrowed money. “4,976

vacant stores and dwellings, of the 10,850 acres in the city proper, there were 3,562 wholly vacant. That tells the whole story." The whole story will not be easily told. Here is part of the story, and may be profitable for doctrine, at any rate. These 3,562 vacant acres would be 35 farms of upwards of 100 acres each. If these had been purchased by the city, say 17 years ago, when the national impolicy was inaugurated, for say \$6,000 each, about the then market price, or \$210,000, and rented to the then owners, who had all the stock and implements necessary to work them, at \$3 per acre=\$300 for each, it would have had \$300 for each \$6,000 of invested capital, or 5 per cent. Suppose the city had mortgaged these 35 farms to the Dominion Government to 50 per cent. of their value at 2 per cent., for as long as the interest was paid, $35 \times \$3,000 = \$105,000$ of borrowed capital the city had, and the government getting 2 per cent., or \$60 for each farm, in all \$2,100 yearly revenue. Suppose the city was to grow, and Tom, Dick and Harry wanted to build a manufactory of some useful and much needed kind, who would suffer, either out of the city or in it, if the city loaned this \$105,000 to them on a bond at 2 per cent., to assist building the factory, the cost of which was \$300,000, the loan to continue as long as the factory worked? Continue the thing further, who would be injured, or what right principle violated, if T., D. and H. insured the factory for \$200,000, if after say 5 or 10 years the factory was burned down? They would lose \$100,000 of their own, and be in debt the \$105,000 to the city, the bond for which would become void, because there was no factory, and they pay back their \$105,000

which they borrowed 5 or 10 years before. The land would be valueless until built upon again. During the 5 or 10 years T., D. and H. had made a profit of, say \$60,000 clear, and they wanted to build again a similar factory, but lacked \$100,000 of capital, what would prevent the city from loaning the \$105,000 again at 2 per cent., on a bond that the factory was to be kept in operation ?

Toronto is a sample of many other cities. The citizens thought to make rich by trafficking in land and real estate, to be made rich and increase in goods, and to be in need of nothing but more manufactories and more people with money, even if they came from the impoverished and depopulated surrounding country; and it is to be supposed think so still, only they are urged to exercise a little more common sense. But what if the more manufactories and people with money don't come ? What will become of the owners of the vacant stores and houses and acres ? Of course, the vacant acres would be useful for "potato patches," without going outside the city for dear land, and the houses to take their lunch in, and for the children to play at hide and seek.

The writer of "Civic Toronto" tells us "of late the disposition of manufacturers to leave the city on a promise of a bonus elsewhere has been checked," but he does not tell his farmer readers what checked the disposition to leave. Might it not have been the rebate of 99 per cent. on the imported material used in making binders and other implements shipped to foreigners to assist them to cut our throats, virtually making us accomplices in the throat-cutting business ?

Was such a spectacle ever seen in the world before? A country of such boundless resources and opportunities; a country with so many wise and good men, with a superabundance of theologians, statesmen, pastors, teachers and politicians, all trying to enlighten, instruct, edify and govern the people, and, withal, such a moral and religious people; industrious to a fault, frugal and honest with one another, each seeking to do well in a worldly point of view, and many in a heavenly, and who believe that the Gospel is the panacea for all our ills, to continue such ruinous and evil systems in dealing with God's first free gift to man, and man's use of God's gifts as exemplified by ruinous, hateful and unjust tariffs on goods, and ruinously high interest on money, which latter is just goods used in exchanging and preserving our labour, and over and above to continue for such a long term of years such a government as lately ruled at Ottawa, gasping out its last breath to the last day, and beyond it if it could; a government "in whose hands is mischief and their right hand full of bribes"; a government which deceived the U.S. and the Canadian people, and endeavoured to deceive even the Governor-General; a government which apparently nobody respected, and no one had a good word to say of it, except those with promises in their pockets. "A nest of traitors!" A Queen City synagogue ruler, from Ireland, the other Lord's Day, exclaimed, regardless of giving offence to over-sensitive ears, "The politics of Ireland are as far above the politics of Ottawa as the heavens are above the earth." The exclamation was approved of by the vast congregation of worshippers.

Having, to some small extent, diagnosed the disease or

cause so far as the money loss is concerned by means of false systems inherited and adopted by this generation, revenue tariffs and high interest on real estate loans are ours by inheritance; protective tariffs by adoption. Let us, as wise men, unite and find the remedy, for remedy there must be, or else there is something wrong for which man is not responsible. Tariffs on goods and high interest on sound real estate loans, both alike must be abolished if we as a people are either to have peace or prosperity. These two matters put upon the sure foundations, our peace would be as a river, and prosperity great indeed. We are all free traders individually in theory, at heart, and by practice when we get the chance, but nationally we are slave traders in practice, so that men cannot have the chance to buy and sell freely. How are we to become free traders in practice, which thing is right and should be practised, so that we can practice that which we should? There is only one way: we ourselves must do it; we won't let others do it. Is it common sense to prevent other people sending their goods to us free if we need the things they send and are willing to pay for them? We don't object to the people coming free, we need them, and don't need to pay for them; the best kind worth having comes free. Why debar the goods we need? Inconsistency and insanity say debar them; common sense says come freely, come free, come to freedom.

Canada could easily abolish all import duties on goods, and give the people the opportunity of getting cheap goods and cheap money in abundance, by abolishing duties and our present ruinous system of borrowing on

real estate from outside the Dominion, and do our borrowing within ourselves. These two things could be done by 1st July, 1897, with great ease and satisfaction, if only one leading man from each Province, and say an equal number for the Dominion would meet, some day soon, quietly with Lord Aberdeen in his private capacity, after having previously, for ten days or so, each separately at his own home, outlined a plan of Direct Taxation which they thought the most suitable in every way for Canada to take the place of tariff taxation, and consider together for a day or two, and compare plans ; they could devise a plan the main features of which would be justice, efficiency and economy, and, doubtless, ten thousand times better than our present or any round about revenue tariff system that human ingenuity could invent. For our present evil system ten thousand good reasons could be given against and not one in its favour.

In order to find out the best plan they would, of necessity, have to consider the land and money questions so as to make each pay its fair share as far as possible. In order to get a right understanding of these important and vital questions they would have to apply to the conjoint books of experience, Nature and Revelation, so that all things may be done decently and in order. To devise and apply a system of direct taxation would not involve one tithe of the labour, time and ingenuity to devise and apply any system of tariff taxation. To be direct is a *must be*, if we are to be successful or mete out justice either as a nation or as individuals. To inaugurate these changes in these two things, goods and money,

there must be unity on a large scale; city men and country men must know no distinction; we are all loyal Canadians, and our interests are one. The best men of all parties must forget past bitternesses; we are all guilty. Reformers, as they call themselves, have been asleep, or, rather, they have not risen to their true dignity through want of moral courage, in not facing direct taxation long ago. John Knox, my near neighbour, a good specimen of the original, a far-seeing man, tells me the great mistake the Hon. George Brown and the Reform Party made was in not making direct taxation a plank in our Confederation Act, and, doubtless, he is right. Scotchmen and the world owe much to courageous, wise, and far-seeing John Knox in laying the foundation of national prosperity, in planting parish schools beside the national churches of Scotland; he saw clearly the immense advantage of national schools conducted by God-fearing men of moral courage, men of moral stamina, so as to have a nation of manly men and womanly women. Conservatives have always been in the wrong, not because they were Conservatives, but because they wanted to conserve what was wrong, or had become wrong, and clung to it until some Sir Robert Peel or Benjamin Disraeli stole the Reformers' clothes, which Sir John Macdonald should have done in 1878, but he had not gumption enough. We are now told if the Reform Party had gone in for high tariff then, the Conservatives would have gone for free trade; that may or may not be, however; neither of them took place, hence our trouble to some extent.

We may safely say the great majority of Canadians

would adopt free trade in goods now if they saw a prudent and workable plan made plain to them. As regards the money question, this most important matter has been kept very much in the background. The great mass of all parties everywhere seem never to have given it any consideration with the view of finding out the proper money standard. It has been entirely overlooked in the hurly-burly and strife and loss of time about bad Rulers, bad Tariffs, and bad School discussions, never even thought that they might have been acting on the false standard of another country to our hurt, without even questioning whether or how we could have cheap money, as cheap as the Bank of England rate, which we are fully entitled to, considering the security we can give for it.

To talk to many good reformers about giving up the gold standard and giving the owners of real estate the liberty, if they chose, to use it to mortgage their property to their own government in place of to aliens, they hold up their hands in horror at the idea of putting such power in the hands of the government, especially such a one as had ruled in Canada for some time, as if it would lead to ruin, national extravagance, delinquency, and servility of the government to individuals. They instance the Upper Canada Municipal Loan Fund and the French assignats of the last century, overlooking the essential difference between both of these plans and the plan of individuals mortgaging their own lands to their own government, the interest in all cases going into revenue. The U. C. Municipal Loan Fund was calculated to foster municipal extravagance, because it lacked the essential of direct individual responsibility. Real

estate borrowers, as individuals, getting money at their option from their own government at 2 per cent. would be the very men whose direct interest it would be to have an honest, stable government. The French assignats is not a parallel case; neither was the then French nation a parallel to Canada of to-day. We are supposed to be a Christian nation, not a nation of infidels and, consequently, fools. At that time France threw Christianity aside all she could. They were as fickle and unstable as the wind. They even tried to abolish the Sabbath day's rest, or something like it, but did not succeed very well. The machinery they put in motion to get money was a dire necessity for the government, whereas in our case it is not a necessity for the government at all. The revenue our government would derive would be more incidental, in fact, entirely so. The necessity in our case is for the individual to get money to improve his farm and himself and family by giving his own for security for the money. By so doing he is conferring a benefit on others as well as himself.

The idea of mortgaging real estate to our own government is not chimerical at all, nor is it a wild-cat scheme. It is simply common sense founded upon an eternal principle—the principle of loyalty to our own country. It is just in an important sense the "redemption" price of the improved land. In Germany at this day they have a system in operation, and have had for how long I don't know, on a large scale, just about half way between our present system of borrowing from outside the nation and the plan the writer wishes Canada to adopt. I fancy it is a good deal on the same principle as the British con-

sols or national debt. The borrowings are all from citizens and not outsiders, and the interest derived all paid to and enjoyed by citizens, not the government, consequently not lost to the country, as all our interest is, except what is borrowed from our own citizens, and that is a comparatively small amount. I quote from the *Insurance and Finance Chronicle*: "The mortgage loan companies of Canada are represented in Germany by mutual credit associations . . . on a mutual capital basis. . . They issue bonds which are listed on the exchanges. . . These bonds are not issued direct to investors like our loan company debentures are, but are given to borrowers in payment for mortgages, who dispose of them in the market for securities or otherwise. . . . These bonds are not held outside Germany." The *Bankers' Magazine* gives the total amount of mortgages represented by this class of bonds as about \$1,297,000,000, which enormous sum has been obtained from the public at an average rate of 3½ per cent., the loans . . . are made from 30 to 50 years, payable in small installments, a great contrast to the system prevailing in this country." The rate of interest fluctuates very little in a long course of years, a system vastly more favourable to the farmers and infinitely better for the country as a whole, inasmuch as the interest, amounting to \$48,637,500, is enjoyed by their own people. If our 550,000 improved farms of 100 acres each were worth \$4,000 = \$2,200,000,000, and the farmers had borrowed our own money from our own government at the same rate of interest up to (49 per cent., the German limit,) say 50 per cent. for convenience, would be a revenue of \$1,250,000, being

fully \$10,000,000 more than all our revenue from tariffs and excise put together, with absolutely free imports in goods, and the farmers would have a vast amount of capital to carry on their business operations somewhat like as they should be. I look upon the battle for free and abundant goods as virtually won. A good workable plan of direct taxation only needs to be plainly and calmly laid before all the people for consideration, and the opportunity given, say a plebiscite, to decide. Doubtless the people would recommend and demand its adoption. And the alacrity of adopting would very much, almost altogether, depend upon its cardinal virtues of justice and economy. Any system of indirect taxation is difficult to elaborate and impossible of just application. Direct taxation is amazingly simple and easy to elaborate, and the only way possible to arrive at anything like justice. As to economy, there are not two opinions about that, neither is there as to efficiency; that would soon follow.

The battle for free and abundant money is different; most of the people seem totally indifferent or apathetic, doubtless solely because they have given neither thought nor consideration to the question. When this question comes to be looked into intelligently by the many the battle will not be so protracted as for free goods, for the simple reason that money is simply the representative of goods. The one great desideratum here is for the intelligent leaders of all parties to unite as one, and consider the question to the bottom with the one end in view, viz., to find the truth, and having found what they believe to be the truth (as clear in having the money question upon as secure, solid and common sense basis as we

now have for free goods—the essentials and conveniences of life, just because it is so plain common sense. Everyone has the common sense to practise, and should, if they act for their welfare when they have the opportunity, and, consequently, until the opportunity is given they cannot practice what they should. Let us by all means get to the common sense basis. Common sense is good ethics. Sanctified common sense is the best ethics. We are Christians, and should be sanctified ones, having found the truth, manfully lay their views before the whole people, take them into their confidence, stake their reputation upon it and say, like noble Laurier, "Here I am." If Canadians can see the principle to be right, and if it be sound economics for government to issue paper money and make it legal tender, a thing which nobody disputes, then if the best security is given that can be given, viz., farm real estate, which nobody disputes but everybody believes, then the battle is virtually won.

Suppose Canada's trio, Mr. Laurier, Sir Richard Cartwright and Sir Oliver Mowat, last but not least, were to formulate a plan of direct taxation, and believed as firmly as Mr. Laurier, and they believed that the former has taken the right stand, that the State is above the Church in its own sphere of government, that the principle is sound that the land owned and occupied by citizens, that they—that is, the land and the citizens, should pay the bulk, if not all, the Federal taxation by a land tax and a poll tax for the protection, liberty and the rights they enjoy as citizens of the Dominion, and also something for Empire protection and liberty and rights, and

that municipal government should be paid for by each municipality distinct from Federal taxation; suppose these three men formulated a system upon these beliefs, and at the same time arranged the borrowing system on real estate so that the farmers of the Dominion had the liberty and the right, if they chose to use it, to mortgage their improved farms and homes to their own government at say 2 per cent. to 50 per cent. of their market value, and for as long as they paid the stipulated interest; what satisfied and convinced these three leading men would satisfy and convince all men of any account, not only in Canada but elsewhere. How long, or tedious, or how much acrimony would be shown in gaining the battle? Methinks a few months' kindly, courageous discussion would soon prepare the way for the introduction of direct taxation, with its untold and untellable advantages.

The present bank monopoly of the right to issue notes up to say \$35,000,000, large though it be, will not be difficult to overcome, provided the principle is right for the Dominion Government to issue, as it now does to a large extent, some \$20,000,000 or \$25,000,000 of notes. The condition upon which permission is given to issue the last \$5,000,000 is that dollar for dollar of gold must be held, and nobody questions the right or expediency of the government doing this. Who would be injured or have any right to complain? Or what risk of ruin would there be if Canadian farmers gave something better than gold for security for Dominion notes, viz., gilt-edge farms, which are far more worth to the individual and the nation than gilt-edge gold sovereigns—

say a 150 acre improved, productive farm, which has cost its owner in hard cash and honest hard labour the toil of many years, of struggles under difficulties of himself and family; the birthplace of his sons and daughters, and the death-place, it may be, of a wife dear to him beyond expression, or other loved ones; the place which is the nursery for the family, the Church and the State, and the stay of our Dominion and of the Empire of which we form a part; a farm which has cost probably \$10,000 or \$12,000, and which was saleable ten years ago at \$10,000, six years ago at \$8,500, and to-day perhaps only about \$7,000?

Suppose the farmer wanted to borrow \$3,000 upon it, and mortgaged it to the government for that sum at 2 per cent., and got Dominion legal tender notes, as now. The government would receive \$60 yearly for revenue, and the farmer \$3,000 to do what he liked with it. If, in place of mortgaging to his own government, he mortgaged to an alien at 6 per cent., as we now do, the government would receive no revenue from it, the farmer paying \$180 in place of \$60; so his minus \$120 gets \$3,000 for five years, say, to be paid then or renewed, at the option of the borrower. Over and above he has to pay his share of Dominion indirect taxes of \$30,000,000, not only of this sum but his share of the \$60,000,000 of tariff, which does not go into revenue, and \$10,000,000 for interest on national debt, in all \$100,000,000. His share for himself and family is \$100, that is \$220 more than he would need to pay if we had direct taxation, as the \$60 would suffice for his share of Dominion revenue. Now, these are facts and not fictions, and "facts are chiefs that winna ding."

If one farmer could borrow \$3,000 in this way, why could not all who could give the same security do so if they wished? And why should any be debarred the privilege? Suppose a township of 400 farmers; half of them wanted capital to start joint stock mutual companies, all in the townships or villages in it to purchase shares if they chose, organized a company for each—say a flour-mill, oatmeal-mill, woollen-mill, planing-mill and sash-factory, implement-factory and foundry, dry-goods, groceries and hardware store, a butchery and bakery, etc. Suppose they mortgaged their farms for \$2,500 each, which would be \$500,000 capital, for which they would pay \$50 each, or \$10,000 in all, which would go to government for revenue, and Free Trade into boot, they could carry on these various businesses on a strictly mutual co-operative basis, so that there would be no inducement for our ruinous competitive system in vogue at present, and which seems unavoidable. All would have a direct interest in things being well managed, whether the articles made and dealt in were cheap or dear. If every township in the Dominion had this system of things in operation, even to a comparatively small extent, what would be the inducement for the country people to flock to the cities to try and do better; or what inducement for any farmer to pull up his stakes and flee to Brother Jonathan? Methinks our sons and daughters would get married and hive off to Manitoba and the great Northwest, or to Muskoka and Algoma's forests and mines, each according to their tastes. The tendency of the age to congregate in large cities is not a pleasing prospect for the future—these man-made places. Some one, long ago, made the

remark, "Man made the cities, but God made the country," but could not understand how He had always placed a river where the city was.

Free Trade within the Empire and taxing products from all other countries, I assume Great Britain will not agree to. The necessity, founded upon *right*, for importing freely cheap food and cheaper raw material of all kinds, and paying for them by exporting her manufactures, is so manifestly her true policy that we may set it down as a foregone conclusion that Britain will not give her consent, and that it is only wasting our time to indulge in long discussions over the matter. The abolition of the Corn Laws in Britain fifty years ago, and of import duties in general since, and the consequent channels in which the nation's commerce now flows, will not be allowed to be disturbed without a most manifest advantage to their commerce and well-being. We may as well face the inevitable, viz., Direct Taxation, at once, and act wisely, and try all likely means to find out a reasonably good, workable plan, and inaugurate free imports from every quarter. We don't need to buy what will be unprofitable to the individual who buys the articles imported. Of course, it is not fair nor equal that we should allow U.S goods to come in free while they tax our goods going to them; but the unfair part of it is not ours, but theirs alone, for which they are responsible; but, as a matter of fact, it injures their own people more than us. For this reason we can have cheap imports from Britain, which they cannot have as long as they tax them. The goods they do not buy from us we can send to Free Trade Britain and elsewhere. We cannot compel them to buy

from us, either with or without tariffs. They will only buy what suits them at any time. The cheaper we have our goods the more anxious will the U.S. people be to buy from us. Their taxing our goods is simply wrong, or, in plain English, a sin, and we may be sure their sin will find them out, as well as other folks' sins find them out.

There is one way, and only one way, I know of whereby Britain could justly discriminate to our great advantage, and in favour of the outlying Empire, and against all outsiders, and still pay for her imported goods by her exported goods. Britain has loaned a vast amount of money to many nations on the gold standard basis. Let her simply do this and no wrong would be done, because she has loaned and the borrowers borrowed on the gold basis; make all outside the Empire pay their interest in gold, and don't demand the principal, by any means, as long as they retain gold as the standard of money, and as long as the interest is punctually paid, and allow all within the Empire to pay their debts, both interest and principal, with goods, as they do now. The direct result would be an enormous influx of gold to Britain and outflow from foreign countries. We Canadians would get an enormous advantage. We would purchase U. S. produce in Buffalo, Chicago and Milwaukee, etc., and pay for them with our products and British gold, which would be badly wanted by the U. S. to pay their interest. We would ship their produce along our railways to the seaboard, and have all the advantages of cheap freight both ways, both on sea and land. If Britain, like a wise, indulgent, or, rather, considerate mother, who had a special

favour to her eldest daughter, would give her this advantage, it would be a good dowry. And if the beautiful daughter acted wisely and considerately to the mother and herself, by letting her goods in free she would prosper and grow rich; Brother Jonathan would be very apt to repent, like a good prodigal son, before he got a generation older, and would want to marry commercially the virtuous, wealthy, thriving, queenly daughter, with the consent of the good old mother of both, which marriage would be the forerunner of the Imperial Federation of the Anglo-Saxon race.

Just imagine calmly, for a moment, what might follow this one change. Canada would have free imports, free raw material for her various manufactories as well as for her farmers, for we are all manufacturers of some kind; *cheap goods, cheap living, cheap implements, cheap machinery, and cheap money if we liked* to develop our industries, our farms, our forests, our mines, our fisheries, etc. The demand for our products would be something undreamt of. Our Northwest would begin to fill up, and the old parts of Canada would be more productive and become more populous. Now, brother Canadians, what can be done to bring about a remedy for our country's ills? Canadians only can do it, and they can do it, but how, is the rub.

It is said the darkest hour is just before daybreak. I believe it is so in regard to Canada at this moment. Just imagine the Apostle Paul passing through Canada and visiting Ottawa in place of Athens, when he pronounced the city wholly given to idolatry, and what he might have said of Canada as represented by the recent

government. He tells in speaking to the Romans that scarcely for a righteous man will one die, yet peradventure for a good man some would even dare to die. He would have found a man whom the Queen of Britain had honoured with a title, and Canada honoured with a high office and emoluments, and made him leader in the people's House of Commons, ready to die neither for a righteous nor a good man, but for a bad Remedial Bill ; so bad that if passed it could not be put into operation, and if it was, would result in the ignorance and bigotry of many who would otherwise be good, intelligent, enlightened, and free citizens. The outlook was dark, indeed, more especially when such a body of men who have been, for many long years fighting the wild beasts of Ephesus, moral heroes, such a band of noble-minded men seeking not their own, but their country's good, making no headway in remedying matters, proclaiming that the only remedy they propose for our national ills during a long lifetime is a revenue tariff as opposed to a protective one, when they know, or must know, that with the heavy load of accumulated debt and liabilities any tariff which will not be burdensome must be supplemented by direct taxes in some shape, and that a revenue tariff, as it is called, must in the nature of things be expensive and unjust in its operation, the tendency of tariffs is to propagate and add to injustice.

Is there a country in the world presents such a spectacle, in many respects, in regard to the two great parties who try to govern ? On the one hand the Conservative party, especially the leaders, half of them pronounced traitors ; the great majority moral imbeciles, their chief

aim apparently to hold on to office in order to enrich them and their friends, and to pile up debt for the Dominion, having held office for 23 of 28 years since Confederation. On the other, the Reform party, especially the leaders, such a galaxy of men of unsullied moral rectitude, men of great ability and experience so long in opposition—to what! A government the least said about it the better. The only things that held it together were money and diabolical gerrymander and franchise laws.

Reformers and all good men, of whatever party, must by this time have learned a lesson, how closely connected morality is with good government, and especially the awful danger of not meteing out justice to rulers when found guilty of bribery and deception. If the Reformers in 1873 had probed the Pacific scandal as they ought, and made a public example of the wrongdoers by, at least, disqualifying for life those found redhanded in the bribery plot of 1872, our national policy, and its attendant train of evils, would have had no existence.

Doubtless, an overruling Providence has had some good to bring out of our evil doings by bringing Canada to her hunkers and to her knees, and acknowledge God more in her national affairs by bringing her to see the vileness of her ways, and change her evil systems which have caused so much oppression, and turn to the paths of righteous government. The opportunity is at hand, the flood is about high tide. "There is a tide in the affairs of men, if taken at the flood, leads on to fortune." Was ever a time so opportune, and the need so great, to make a radical change in our national affairs in taxation mat-

ters, and in public morality in high places? There is no use in shutting our eyes to the fact that direct taxation in the Dominion sphere of government is the only remedy, humanly speaking, the one thing needful to redress our greatest wrongs, not only in Manitoba but throughout the Dominion. We want and must have a remedial bill of the right sort. It is ten thousand times more needful than the much-talked-about School Remedial Bill.

Our rulers, past and present, have a general but very inadequate impression of the real state of matters in the country parts. They lack the minute knowledge of the individual difficulties which have caused the general impression. Doubtless many of them have their own money difficulties to contend with; but theirs do not prevent them getting a new suit of clothes and paying for them when they need them. Not so with many farmers and those dependent upon their success. Hundreds of thousands of them have much difficulty to pay for a new suit when they need it, and also for food they require to buy after paying all unavoidable expenses in conducting their various occupations, their debts crushing them all the time, many of them ashamed to tell their debts, and who would have none but for our public violation of God's moral laws, to wit, protection, as it is called, and too high interest on money employed in agriculture, the mainstay of the country.

If at their earliest convenience the members of the new government, personally or by commission, would take a little time down amongst us farmers and villagers, and enquire into our circumstances with the view of

finding out the real state of matters and a remedy, their visits would be hailed with rejoicing, and information would be given freely, both with open and closed doors, as occasion rendered prudent. Whatever differences of opinion there may be as to grievances in Manitoba about school matters, they would find there were real grievances in every province, township, and village in the Dominion on trade matters which are bringing us all to the level of slaves in place of freemen, as we ought and might be. Let them take note-book in hand and jot down facts; they will find them by the thousand on every side. Their greatest difficulty would be to keep the facts within compass. They would require to visit districts both where mixed farming was the rule and where specialities were more prominent. I am as convinced as can be that such a visitation of inquiry is absolutely necessary in order to get correct and reliable information of the real cause of the hard times and a great help to find the effective remedy, and, in fact, the only way in order to be able to frame a Remedial Bill such as is needed. I venture the opinion that they would get such an array of facts as would lead them to see that to frame any scale of tariffs at all approaching a suitable remedy for Canada's ills would be an utter impossibility, and that there was no remedy at all to compare with absolute Free Trade, which involves Direct Taxation. I also venture the opinion that they would find that the only classes of farmers who were even holding their own, as the saying is, or doing anything at all well these many years back, were those who had been making cheese a speciality, and those few parsimonious, hard-fisted ones

who would rather cut off their right hand than mortgage their farms to anybody, and who spend not one cent for the country's welfare unless compelled by the municipal tax-gatherer, and who believe there is no Dominion tax-gatherer, because they never see nor hear of him, and who give less than a copper coin, it may be, for home and foreign missions if they happen to belong to a church.

All who can grasp the situation of Canada for many years back, and who are not pessimists, must begin to see the workings of Providence in our national affairs. In 1872 flagrant bribery in high places left unpunished; in 1878 Honesty dethroned as a consequence, and the old Bribery regime reinstated and exalted to positions of honour and trust; the bribery of 1872 practically condoned. Bribery increased to a degree undreamt of even in 1880, and continued ever since, and now reigns supreme, and it seems well-nigh impossible to lay the monster quiet again. He stalks through the country deceiving the people and trampling the people's representatives as if they had no rights but to submit to every indignity and insult, the best men of the country denounced as obstructionists when trying to rule for the best welfare of the country, and every citizen in particular.

Why did Edward Blake leave his country's politics in disgust when he was so much needed at home, where he was and is loved and looked up to, and is yet; and why was the great Liberal party, the honest, progressive party, defeated time and again in 1878, 1882, 1887, and 1891? We may well ask ourselves these and kindred questions. Doubtless, all these and much more evil has been per-

mitted by an all-wise Providence, that a greater good may result. What greater good, humanly speaking, could any sensible Canadian conceive of than that absolute Free Trade should prevail within our borders of all things good and necessary for life and comfort, and restricted trade or, more correctly speaking, Prohibition in things not necessary for daily use, either for life or comfort. In order to have these there is no other right way than first of all to frame a definite system for each, very carefully drawn up, and lay them before the people either to be adopted or rejected. To have free goods means cheap goods, and in abundance, and the best means to improve the quality at the same time. To have free money means cheap money, and in abundance, and the best means to improve the quality at the same time. There can be no doubt of these facts, which I believe them to be after having given them my best thoughts.

Having now placed my views on paper on Money and the Money Question in Canada, very imperfectly it may be, I am most anxious to have them laid before my fellow-countrymen of all classes for their best consideration. As a farmer of the Dominion, all I ask of the Dominion Government is protection to my person and property, with liberty to labour, buy and sell freely whatever is generally believed to be needful and good for life and comfort, for things not needful for life and comfort' liberty to get them only in the drug-stores under medical surveillance, and liberty to borrow capital on my improved farm to half its market value, from my own government in place of from aliens, and I will pay all Dominion taxes, and an Imperial tax as well, direct

without any expense or circumlocution, either to my township treasurer or to headquarters, as seemeth best to the powers that be. These things, I venture to say, are reasonable and right, and what every honest farmer in the Dominion would say he wants and would undertake to do if asked the questions, and that every honest man and woman in the Dominion will admit to be reasonable and right, and that such things ought to prevail. Everybody wants personal protection, cheap goods, and cheap money when in want of them. Why? Because they are needful for life and comfort. Why, then, in the name of wonder, should they not be free among a free people? We have free Bibles, and pride ourselves we have free churches and free schools; why, then, in the name of justice and humanity, cannot we have free trade in the necessaries and conveniences of life? Without the latter neither of the former three can have free scope or a fair chance to show what they can do for a needy people and a needy world. What Canada needs, and the world needs, is freedom in good things, coupled with wise and prudent prohibition of injurious things. In these times, at the close of the nineteenth century, a rare opportunity is afforded Canada to make these two radical changes. Are we Canadians equal to the occasion and fit for self-government? Time will tell.



